



Joint Legislative Budget Hearing

On Mental Hygiene

State Fiscal Year 2014-15 Executive Budget

Testimony by:

Commissioner Arlene González-Sánchez

NYS Office of Alcoholism and Substance

Abuse Services

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Good morning Senator DeFrancisco, Assemblyman Farrell, and distinguished members of the Senate Finance and Assembly Ways and Means Committees. Good morning also to Senator Boyle, Assemblyman Cymbrowitz, and distinguished members of the Senate and Assembly Alcoholism and Drug Abuse Committees.

My name is Arlene González-Sánchez and I am the commissioner of the New York State Office of Alcoholism and Substance Abuse Services. I want to begin by thanking you for your support of our mission at OASAS and for providing me the opportunity to present Governor Cuomo's 2014-15 Executive Budget as it pertains to OASAS.

OASAS oversees one of the nation's largest addiction services systems with more than 1,600 prevention, treatment and recovery programs. OASAS treatment programs assist about 100,000 people on any given day and more than 240,000 individuals every year.

The 2014-15 Executive Budget reflects the Governor's ongoing efforts to fundamentally improve services and supports for individuals with chemical dependencies and/or gambling problems. As part of this effort, this Budget provides \$579.4 million in Financial Plan support for OASAS programs, the same level of support provided in 2013-14. Additionally, the Executive Budget also supports OASAS' movement to a more coordinated system of care that addresses the behavioral and physical health care needs of individuals with substance abuse disorders.

This budget allows us to move forward with all of our current commitments to prevention, treatment, and recovery services, including MRT permanent supportive housing and residential services to our returning veterans. We will also move forward with the fourth round of New York/New York III for homeless families. In total, this budget supports up to 129 new beds in 2014-15: up to 80 NYNY III units; 25 new Veterans' beds; and 24 new adult beds.

With respect to capital projects, the Executive Budget continues the State's commitment to the OASAS Five-Year Capital Program by increasing capital resources from \$50.9 million in 2013-14 to \$54.9 million in 2014-15. The year-to-year increase will support the cost of ongoing bed development and continuing health and safety preservation projects necessary to sustain the infrastructure of community-based and institutional programs. Furthermore, the Five-Year Capital Plan assumes OASAS' capital spending will grow to \$75 million by 2017-18.

In addition, the Executive Budget includes a \$120 million Medicaid investment that will allow OASAS and OMH to capitalize on opportunities to implement the move to Medicaid managed care. Investments specific to OASAS will be:

- \$5 million to support OASAS' plan to restructure residential services; and,
- \$5 million of \$40 million targeted support to preserve critical access to inpatient rehabilitation services in certain geographic areas.

In addition, OASAS and OMH will have access to:

- \$30 million in funding for new 1915(i)-like home and community-based support services;
- \$20 million for system readiness activities to develop the infrastructure and capacity to transition services for adults and children into managed care;
- \$15 million for enhancements to clinic reimbursement to support integration of behavioral and physical health; and
- \$10 million for Health Home Plus reimbursement for individuals receiving care management under a court order for Assisted Outpatient Treatment.

This Budget also includes Article VII language to reinvest Medicaid savings for Behavioral Health Services to expand community-based services. For instance:

- OMH and OASAS will develop plans with DOH to reinvest Medicaid savings from behavioral health programs that may close, or have already closed, to ensure that capacity is preserved in the impacted communities. These funds will be made available for reinvestment into community programs.
- DOH, OASAS, and OMH will reinvest any behavioral health savings acquired as we move toward a fully-managed system of care.
- Furthermore, managed care plans will reimburse providers at established APG rates for two years following implementation of Medicaid managed care.

Now, I would like to share with you a few accomplishments OASAS made in the past year to improve the lives of all New Yorkers.

We have worked to increase training to police, sheriffs and mental health workers on how to use Narcan, a medication to quickly and safely reverse an opioid overdose and save a person's life.

OASAS recognizes the demands of military service have often made the adjustment to civilian life a difficult one. Many veterans turn to alcohol and substance abuse upon their return home. To address these issues, OASAS provided \$3.3 million in capital funding to open a new veterans' treatment facility with 25 beds in western New York. An additional 25-bed facility in the North Country is expected to open soon.

We launched a new veterans' Web page that contains resources specifically for veterans and their families. We also implemented new protocols for our 24-hour, toll-free HOPEline, to identify callers who have served in the military and provide them with additional information or referral services.

Housing is an important factor in supporting a person's recovery. As part of the NY/NY III program, OASAS funded 70 new units of permanent supportive housing for homeless families struggling with substance use disorders.

Additionally, as a part of the MRT Permanent Supportive Housing Initiative, OASAS awarded funding for the establishment of 300 housing units statewide targeted to single adults with substance use disorders who are also high cost Medicaid consumers.

Furthermore, OASAS awarded Capital Projects funds for 25 new treatment beds for young adults ages 18 to 25 on Long Island, with another 25 in western New York, two areas that are experiencing a significant problem with adolescent opioid addiction.

OASAS also supports prevention services in every county in New York State. We are in the process of implementing a 2013 law under which OASAS will work with the State Education Department to make underage gambling prevention materials available to local school districts.

And finally, OASAS is actively engaged with the State Gaming Commission and the Council on Problem Gambling in the Responsible Play Partnership, to promote problem gambling awareness throughout our entire prevention provider system. Furthermore, guaranteed revenue that will be produced by the gaming expansion will be dedicated to bolstering OASAS' gambling prevention and treatment services.

Thank you for the opportunity to testify on Governor Cuomo's Executive Budget and I welcome your questions and comments. Thank you very much.